

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
(317)232-9855

ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT

PROPOSED RULE: 97-7

DATE PREPARED: Jul 16 98

STATE AGENCY: Department of Environmental Management

DATE RECEIVED: Jun 08 98

FISCAL ANALYST: Kristin Breen; Bob Sigalow

PHONE NUMBER: 232-9567; 232-9859

Digest of Proposed Rule: This proposed rule amends 329 IAC 7, which deals with the Indiana Scoring Model (ISM). The ISM is used to assess and prioritize, for state response actions, those hazardous substance response sites which are not on the National Priorities List. The name and location of sites that have been scored using the ISM are listed annually on the Indiana Department of Environmental Management (IDEM) Commissioner's Bulletin, which is published in the *Indiana Register*.

This proposed rule provides that sites that receive a score of five or less on the ISM may be deleted from the Bulletin. Deletion of a site may be initiated by IDEM or through a petition. Currently, there is no procedure for a site to be removed from the Bulletin, even if the site has a score of zero.

In 1997, the General Assembly enacted P.L. 59 - 1997 (SEA 360), which directed the Solid Waste Management Board to adopt rules to allow sites that have been the subject of successful remediation of hazardous substances and score below the minimum score to be removed from the Bulletin.

This proposed rule impacts owners and operators of hazardous substance response sites that are listed on the Bulletin. As of June 1997, 61 privately-owned sites were listed on the Bulletin. Of those 61 sites, four had a score of five or less.

Governmental Entities:

State: It is estimated that this proposed rule will result in a minimal increase in paperwork for IDEM's Office of Environmental Response. There are no unfunded mandates placed upon any state agency by this proposed rule.

A listing as a hazardous substance response site on the Bulletin may limit a site's ability to attract loan and investment opportunities for redevelopment. By creating a procedure by which sites can be removed from the Bulletin, this proposed rule may provide an incentive for owners and operators to voluntarily remediate their sites in order to attract loan and investment opportunities. If an owner or operator voluntarily remediates the site without state assistance, the state can utilize that money to remediate other contaminated sites. Money to remediate sites comes from the Hazardous Substances Response Trust Fund.

Local: It is estimated that this proposed rule will result in a minimal increase in paperwork for political

subdivisions. There are no unfunded mandates placed upon any political subdivision by this proposed rule.

If redevelopment of a site occurs as a result of this proposed rule, the assessed valuation (AV) of that site could increase. If the site's AV increases, the overall property tax rate could be reduced for all taxpayers served by the units of government that serve that site. These units' cumulative funds and capital projects funds could receive added property tax revenue from the increased AV as these funds are rate controlled.

Regulated Entities: A listing as a hazardous substance response site on the Bulletin may limit a site's ability to attract loan and investment opportunities for redevelopment. By creating a procedure by which sites can be removed from the Bulletin, this proposed rule may provide an incentive for owners and operators to voluntarily remediate their sites in order to attract loan and investment opportunities. If redevelopment of a site occurs as a result of this rule, the property value of that site could increase. The actual impact of this proposed rule is indeterminable.

The four sites on the Bulletin with a score of five or less include the following: (a) SPARC Realty in Greendale, Dearborn County; (b) Pierson-Hollowell Company in Greendale, Dearborn County; (c) Beal Street Disposal in Hammond, Lake County; and (d) East Thompson Road in Indianapolis, Marion County.

Information Sources: *Department of Environmental Management Commissioner's Bulletin No. 7 Update*; Joyce Rives, Office of Solid and Hazardous Waste Management, Indiana Department of Environmental Management, 233-0406; Rich Molini, Office of Environmental Response, Indiana Department of Environmental Management, 308-3056.